

For Public Review and Comment
From May 26, 2009 through June 1, 2009

DRAFT
SUBSTANTIAL AMENDMENT
TO
SAN FRANCISCO'S
2008-2009 ACTION PLAN
FOR
COMMUNITY DEVELOPMENT BLOCK
GRANT RECOVERY (CDBG-R) FUNDING

Mayor's Office of Housing
1 South Van Ness Avenue, 5th Floor
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**SUBSTANTIAL AMENDMENT TO
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NOTES FOR PUBLIC REVIEW and COMMENT:

- 1) You may review this on-line version or review a hard copy of the draft document at the following locations:
 - Mayor's Office of Housing, 1 South Van Ness Avenue, 5th Floor
 - Main Branch of the SF Public Library, 100 Larkin Street, 5th Floor, Government Information Center
- 2) Staff welcomes your comments in writing. They may be directed to: Mayor's Office of Housing, CDBG-R Draft Substantial Amendment Staff, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103. In your comment, please be specific about your issue and refer to a specific section of the draft document, if appropriate.
- 3) The close of the public comment period is June 1, 2009.
- 4) You are also invited to provide comments on the Draft Substantial Amendment at the Citizens' Committee on Community Development's meeting on June 1, 2009. The meeting is scheduled for 5:45pm at 1 South Van Ness Avenue, 5th Floor.
- 5) Thank you in advance for your participation in this process.

Public Comment Form for the Draft Substantial Amendment

Comments (Please refer to specific section(s) of the draft document, if appropriate):

[illegible]

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**SUBSTANTIAL AMENDMENT TO
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**CDBG-R SUBMISSION TEMPLATE
& CHECKLIST**

The American Recovery and Reinvestment Act of 2009 ("Recovery Act") was signed into law by President Obama on February 17, 2009. The Recovery Act awards \$1 billion in CDBG Recovery (CDBG-R) funds to be distributed to cities, counties, insular areas and states, of which \$10 million has been reserved by HUD for its administrative costs and \$10 million of which will be awarded to Indian tribes. Recipients of the remaining \$980 million of CDBG-R funds will be the approximately 1,200 jurisdictions that received CDBG funding in Fiscal Year 2008. This template sets forth the suggested format for grantees receiving funds from CDBG-R. A complete submission contains the information requested below, including:

- (1) The CDBG-R Substantial Amendment (template attached below)
- (2) Spreadsheet for Reporting Proposed CDBG-R Activities (see <http://www.hud.gov/recovery>)
- (3) Signed and Dated Certifications (see <http://www.hud.gov/recovery>)
- (4) Signed and Dated SF-424.

Grantees should also attach a completed CDBG-R Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

The City and County of San Francisco has been allocated \$5,723,770 under the CDBG-R program. In order for the City to receive these funds, the Mayor's Office of Housing (MOH) is submitting the following Substantial Amendment to San Francisco's 2008-2009 Action Plan for HUD's approval.

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THE CDBG-R SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>City and County of San Francisco</u>	CDBG-R Contact Person: <u>Douglas Shoemaker</u> Address: <u>1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103</u> Telephone: <u>415-701-5500</u> Fax: <u>415-701-5501</u> Email: <u>douglas.shoemaker@sfgov.org</u>
Jurisdiction Web Address: <u>www.sfgov.org/moh</u> <ul style="list-style-type: none">• (URL where CDBG-R Substantial Amendment materials are posted)	

ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD’s recovery website at <http://www.hud.gov/recovery>.

See attached spreadsheet.

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B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

1 of 2 Activities

- (1) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

San Francisco Redevelopment Agency - Mission Bay Pump Station #3

(2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

The Mission Bay Pump Station #3 project will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The project can award contracts based on bids within 120 calendar days from the date the funds are made available. The project design process has already commenced within this time frame, based on funding from the San Francisco Redevelopment Agency.

The \$2.3 million in CDBG-R funds for the Mission Bay Pump Station #3 will be leveraged with \$1.1 million from the San Francisco Redevelopment Agency and an anticipated \$4.7 million of state awarded Prop 1C TOD funds (awaiting decision), for a total of \$8.1 million of infrastructure investment in 2009 and early 2010. This major investment in infrastructure helps to keep engineers, architects, contractors and subcontractors employed (some of the hardest hit sectors of employment during the recession). Because the project is in the Mission Bay Redevelopment Area, the project is subject to robust hiring goals for local, minority and women-owned businesses. The infrastructure being funded provides long term economic benefits by facilitating additional development activity, including the estimated \$80.5 million construction of 150 units of affordable housing and the estimated \$5.4 million development of 1.5 acres of parks and open space that serve these units, all of which depend on this pump station to handle their storm water flows. The infrastructure investment also is part of a larger overhaul of infrastructure

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at Mission Bay that eliminates antiquated combined storm and sewer systems that currently jeopardize the environment with overflows of sewage into the San Francisco Bay during large storm events.

- (3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

Based on prior pump stations of a similar size built at Mission Bay, the Mission Bay Pump Station #3 project is anticipated to employ approximately 140 people from construction trades (engineers, carpenters, laborers, electricians, plumbers, iron workers, etc.).

- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

The CDBG-R funds allow Mission Bay Pump Station #3 to be built, which promotes smart growth by providing essential backbone infrastructure for the development of 150 units of affordable housing located directly adjacent to transit (CalTrain terminus and five Muni light rail stations) and employment opportunities (UCSF's 2.65 million square foot research campus, 4.4 million square feet of office and lab space and UCSF's 550 bed women's, children's and cancer specialty hospital).

- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Kelley Kahn, Project Manager
San Francisco Redevelopment Agency
1 South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103
Telephone: 415-749-2419
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2 of 2 Activities

- (1) **Activity Name:** (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Tenderloin Neighborhood Development Corporation - 220 Golden Gate Associates, L.P.

- (2) **Activity Narrative:**

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

The adaptive reuse of the Central YMCA into 172 units of housing for chronically homeless individuals represents one of San Francisco's highest priority projects. This innovative project will include a state of the art Health Clinic for formerly homeless persons both from this project and other supportive housing in San Francisco, providing an extraordinary level of support and care for this vulnerable population, and thereby reducing the financial burden on other City and County services utilized by this high need population. This project will meet the requirements of Title XII of Division A and Section 1602 of ARRA. Demolition activities will commence in June 2009 and construction is scheduled to begin in November 2009.

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The table below summarizes the sources of funding for this approximately \$84 million project.

Sources	
HCD Multi Family Housing Program	\$10,000,000
FHLB Affordable Housing Program	\$1,500,000
LIHTC Equity	\$20,261,381
Historic Equity	\$10,508,015
HCD Transit Oriented Development	\$17,000,000
GP Equity	\$1,400,000
CALHFA Mental Health Services Act	\$1,700,000
SF Mayor's Office of Housing	\$18,522,136
CDBG-R Funds	\$3,400,000
Total	\$84,291,532

The project will address the Recovery Act by:

a) preserving and creating jobs and promoting economic recovery;

220 Golden Gate will create approximately 230 construction jobs during a 25 month construction period. Additionally, the permanent operations and services for the building will generate 14.9 FTE permanent property management positions and 13.7 FTE permanent social services positions. As well, by enabling the existing childcare center to return post-construction, the project preserves an estimated 6 FTE positions. More jobs will be generated by the corner retail space once it is occupied.

b) assisting those most impacted by the recession;

220 Golden Gate will provide housing and critical services for the most vulnerable of San Francisco: the 172 chronically homeless adults who will live at 220 Golden Gate, the 4,000 residents of one of the City's lowest-income census tracts (the Tenderloin) who will be served by the public health clinic, and about 30 low-income infants and toddlers who are served by the childcare center.

c) providing the investment needed to increase economic efficiency;

National and local studies have demonstrated that it costs essentially the same amount of money to house someone in stable, supportive housing as it does for that person to remain homeless and stuck in the revolving door of high-cost crisis care and emergency housing. Studies by the Corporation for Supportive Housing prove that dollars spent on long-term solutions to homelessness produce positive results for formerly homeless people and their communities. Residents in supportive housing can receive coordinated services in their own residence, rather than receiving crisis care in scattered locations such as the emergency room and the jails.

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d) investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;

In addition to the creation of permanent jobs for building staff, the building benefits the larger community by providing an opportunity for long-term contracts for work done by off-site companies – repair, maintenance of elevators and other building systems, security, pest control, etc.

e) minimizing or avoiding reductions in essential services; and

Residents of permanent, affordable housing still require essential services such as police and fire. As well, the development of 220 Golden Gate will allow the Department of Public Health (DPH) to improve their services to the Tenderloin, as the 220 Golden Gate location will be larger than the current location serving the neighborhood. The new location at 220 Golden Gate will allow DPH to increase its capacity and its health care modalities, as the new space will be larger and better configured to provide additional types of care.

f) fostering energy independence.

In rehabilitating an existing building and thereby using an existing resource, rather than building new, the 220 Golden Gate development has avoided many wasteful practices associated with the building industry. The development meets California's strict Title 24 Energy Code standards. The building will receive nearly all-new electrical, mechanical, and plumbing equipment and fixtures, including new boilers, Energy Star appliances and light fixtures, and low-flow fixtures. The project avoids using products with high embodied energy, such as vinyl, and instead will be using durable rubber flooring in the residential units.

Tenants, staff and visitors to 220 Golden Gate will most likely arrive at the site by public transportation or on foot. 220 Golden Gate is a transit-oriented building served by Bay Area-wide and City-wide public transportation with many stops within 2.5 blocks of the site. It is also walking distance from the Civic Center area with its ample public services, and from Union Square which has variety shopping and job opportunities. No automobile parking is provided at 220 Golden Gate. Bicycle parking for approximately 50 bicycles will be provided for tenants and staff in order to encourage alternatives to automobiles.

(3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

220 Golden Gate will create approximately 230 construction jobs during a 25 month construction period. Additionally, the permanent operations and services for the building will generate 14.9 FTE permanent property management positions and 13.7 FTE permanent social services positions. As well, by enabling the existing childcare center to return post-construction, the project preserves an estimated 6 FTE positions. More jobs will be generated by the corner retail space once it is occupied.

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- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

220 Golden Gate will promote:

- a) energy conservation;

220 Golden Gate will promote energy conservation by educating tenants about reduce/reuse/recycle. Each trash room will include a recycle bin and tenants will be educated about the importance of recycling. Additionally, a small community garden on the roof deck will allow tenants to grow their own food.

- b) smart growth;

220 Golden Gate is smart growth because it involves the renovation of an existing building in an urban, infill location to provide high-density housing that is close to public transportation, jobs and services.

- c) green building technologies; and

220 Golden Gate Avenue is being constructed to meet California's energy code (Title 24) standards. Other green/sustainable components of the project include: low flow fixtures, efficient irrigation, Energy Star® appliances and light fixtures, low volatile organic compound (VOC) paints, and 75% diversion of construction and demolition waste. The project avoids using products with high embodied energy, such as vinyl, and instead will be using durable rubber flooring in the residential units.

- d) reduced pollution emissions.

The development meets California's strict Title 24 Energy Code standards. The building will receive nearly all-new electrical and mechanical equipment, including new boilers, Energy Star appliances and light fixtures, which will reduce pollution resulting from electricity generation and burning of natural gas.

Tenants, staff and visitors to 220 Golden Gate will most likely arrive at the site by public transportation or on foot. 220 Golden Gate is a transit-oriented building served by Bay Area-wide and City-wide public transportation with many stops within 2.5 blocks of the site. It is also walking distance from the Civic Center area with its ample public services, and from Union Square which has variety shopping and job opportunities. No automobile parking is provided at 220 Golden Gate. Bicycle parking for approximately 50 bicycles will be provided for tenants and staff in order to encourage alternatives to automobiles.

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- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Don Falk, Executive Director
Tenderloin Neighborhood Development Corporation
201 Eddy Street
San Francisco, CA 94102
Telephone: 415-776-2151
TTY: 866-427-2151
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C. PUBLIC COMMENT

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

Note: A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

Response:

The Draft Substantial Amendment is available for public review and comment between May 26, 2009 and June 1, 2009. The City will publish a notice in the San Francisco Examiner on May 20 and May 27, 2009 informing the public of the availability of the document for review and comment. The notice of availability of the draft document for public review and comment is posted on the website of the Mayor's Office of Housing (MOH) and was mailed to approximately 1,000 community-based organizations. The public has access to review the draft document at the Main Branch of the Public Library and at MOH. The draft document is also posted on the MOH website.

The public is invited to provide comments on the Draft Substantial Amendment on June 1, 2009 at a meeting of the Citizens Committee on Community Development (CCCD). The meeting is scheduled for 5:45pm at 1 South Van Ness Avenue, 5th Floor.

CDBG-R
Activity Data Spreadsheet

Jurisdiction/Grantee Name: City and County of San Francisco - Mayor's Office of Housing		CDBG-R Formula Grant Amount				Date: 5/26/2009	
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
San Francisco Redevelopment Agency - Mission Bay Pump Station #3	Installation of a storm water pump station that will convey storm water runoff from Mission Bay drainage basin D	570.201(c)	570.208(a)(1)	\$2,300,000		\$5,800,000	\$8,100,000
Tenderloin Neighborhood Development Corporation - 220 Golden Gate Associates, L.P.	The adaptive reuse of the Central YMCA into 172 units of housing for chronically homeless individuals and the development of an on-site Department of Public Health Wellness Center	570.202	570.208(a)(3)	\$3,400,000		\$80,891,532	\$84,291,532
Mayor's Office of Housing	General administrative expenses for CDBG-R program	570.205	n/a	\$23,770			\$23,770

